

G - Finance and Administration Cabinet

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HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Operating Budget

Summary Totals

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund (Tobacco)	8,481,900	8,481,900		18,017,700	18,017,700		18,022,400	18,022,400	
General Fund	419,006,300	419,006,300		469,780,500	480,721,900	10,941,400	479,149,000	479,804,600	655,600
Restricted Funds	130,673,900	130,673,900		138,557,000	134,372,100	(4,184,900)	140,693,700	136,479,700	(4,214,000)
Federal Funds	3,037,000	3,037,000		1,863,100	1,863,100		1,775,000	1,775,000	
Road Fund	4,331,000	4,331,000		1,718,000	2,068,000	350,000	1,718,000	2,068,000	350,000
Regular Total Funds	565,530,100	565,530,100		629,936,300	637,042,800	7,106,500	641,358,100	638,149,700	(3,208,400)
Use of Continuing	2,019,100	2,019,100							
TOTAL FUNDS	567,549,200	567,549,200		629,936,300	637,042,800	7,106,500	641,358,100	638,149,700	(3,208,400)
II. EXPENDITURE CATEGORY									
Personnel Costs	149,802,800	149,802,800		155,434,500	160,333,100	4,898,600	158,038,800	164,235,500	6,196,700
Operating Expenses	104,397,400	104,397,400		104,755,000	109,342,700	4,587,700	106,872,000	110,891,700	4,019,700
Grants, Loans, Benefits	7,345,000	7,345,000		7,345,000	8,745,000	1,400,000	7,345,000	8,745,000	1,400,000
Debt Service	289,084,800	289,084,800		342,499,300	342,499,300		349,302,700	338,262,700	(11,040,000)
Capital Outlay	11,819,200	11,819,200		14,036,200	10,256,400	(3,779,800)	13,900,800	10,116,000	(3,784,800)
Construction	5,100,000	5,100,000		5,866,300	5,866,300		5,898,800	5,898,800	
TOTAL EXPENDITURES	567,549,200	567,549,200		629,936,300	637,042,800	7,106,500	641,358,100	638,149,700	(3,208,400)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund (Tobacco)	8,481,900	8,481,900		18,017,700	18,017,700		18,022,400	18,022,400	
General Fund	419,006,300	419,006,300		469,080,400	468,730,400	(350,000)	461,726,000	461,376,000	(350,000)
Restricted Funds	130,673,900	130,673,900		127,779,900	127,779,900		127,755,700	127,755,700	
Federal Funds	3,037,000	3,037,000		1,363,100	1,363,100		1,275,000	1,275,000	
Road Fund	4,331,000	4,331,000		1,701,000	2,051,000	350,000	1,701,000	2,051,000	350,000
Regular Total Funds	565,530,100	565,530,100		617,942,100	617,942,100		610,480,100	610,480,100	
Use of Continuing	2,019,100	2,019,100							
TOTAL BASE LEVEL	567,549,200	567,549,200		617,942,100	617,942,100		610,480,100	610,480,100	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				700,100	11,991,500	11,291,400	17,423,000	18,428,600	1,005,600
Restricted Funds				10,777,100	6,592,200	(4,184,900)	12,938,000	8,724,000	(4,214,000)
Federal Funds				500,000	500,000		500,000	500,000	
Road Fund				17,000	17,000		17,000	17,000	
TOTAL ADDITIONAL				11,994,200	19,100,700	7,106,500	30,878,000	27,669,600	(3,208,400)

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HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Capital Budget

Summary Totals

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
General Fund									
Restricted Funds				4,200,000	4,200,001		3,800,000	3,800,000	
Federal Funds				17,416,000	17,416,000				
Road Fund				1,250,000	1,250,000				
Bond Funds				135,208,000	66,192,000	(69,016,000)	5,000,000		(5,000,000)
Capital Construction Surplus				903,000	903,000		904,000	904,000	
Investment Income				1,290,000	90,000	(1,200,000)	330,000		(330,000)
Other Funds				20,750,000	20,750,000		3,000,000	3,000,000	
Deferred Maintenance				332,000		(332,000)			
TOTAL CAPITAL				181,349,000	110,801,001	(70,548,000)	13,034,000	7,704,000	(5,330,000)

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HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Operating Budget

General Administration

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	12,060,100	12,060,100		11,716,100	13,781,500	2,065,400	12,064,900	13,942,600	1,877,700
Restricted Funds	30,140,100	30,140,100		34,371,400	30,591,600	(3,779,800)	34,240,800	30,456,000	(3,784,800)
Road Fund	283,000	283,000		300,000	300,000		300,000	300,000	
Regular Total Funds	42,483,200	42,483,200		46,387,500	44,673,100	(1,714,400)	46,605,700	44,698,600	(1,907,100)
Use of Continuing									
TOTAL FUNDS	42,483,200	42,483,200		46,387,500	44,673,100	(1,714,400)	46,605,700	44,698,600	(1,907,100)
II. EXPENDITURE CATEGORY									
Personnel Costs	11,862,900	11,862,900		12,586,400	12,906,400	320,000	12,981,700	13,107,700	126,000
Operating Expenses	20,015,800	20,015,800		19,763,600	20,109,000	345,400	19,633,800	19,985,500	351,700
Grants, Loans, Benefits	2,500,000	2,500,000		2,000,000	3,400,000	1,400,000	2,000,000	3,400,000	1,400,000
Capital Outlay	8,104,500	8,104,500		12,037,500	8,257,700	(3,779,800)	11,990,200	8,205,400	(3,784,800)
TOTAL EXPENDITURES	42,483,200	42,483,200		46,387,500	44,673,100	(1,714,400)	46,605,700	44,698,600	(1,907,100)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	12,060,100	12,060,100		11,716,100	11,716,100		11,844,900	11,844,900	
Restricted Funds	30,140,100	30,140,100		30,140,100	30,140,100		30,140,100	30,140,100	
Road Fund	283,000	283,000		283,000	283,000		283,000	283,000	
Regular Total Funds	42,483,200	42,483,200		42,139,200	42,139,200		42,268,000	42,268,000	
Use of Continuing									
TOTAL BASE LEVEL	42,483,200	42,483,200		42,139,200	42,139,200		42,268,000	42,268,000	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund					2,065,400	2,065,400	220,000	2,097,700	1,877,700
Restricted Funds				4,231,300	451,500	(3,779,800)	4,100,700	315,900	(3,784,800)
Road Fund				17,000	17,000		17,000	17,000	
TOTAL ADDITIONAL				4,248,300	2,533,900	(1,714,400)	4,337,700	2,430,600	(1,907,100)
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN General Administration									
ABR750A0001 Provide funding for 3 vacant positions.									
Restricted Funds				127,200	127,200		133,500	133,500	
Project Total				127,200	127,200		133,500	133,500	

G - Finance and Administration Cabinet

Operating Budget

General Administration

			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference		
2	NEW	General Administration- Document Imaging System									
ABR750A0004			Provide funds to convert Occup. & Prof. records to electronic format.								
Restricted Funds				200,000	200,000		50,000	50,000			
Project Total				200,000	200,000		50,000	50,000			
3	NEW	General Administration- Gubernatorial Transition Funding KRS 11.260									
ABR750A0002			Provide funds for the Gubernatorial Transition.								
General Fund							220,000		(220,000)		
Project Total							220,000		(220,000)		
4	CONT	General Administration- Postal Services									
ABR750A0009			Provide additional Road Fund to support the Division of Postal Services.								
Road Fund				17,000	17,000		17,000	17,000			
Project Total				17,000	17,000		17,000	17,000			
5	CONT	General Administration- Fleet Management									
ABR750A0010			Provide Restricted Funds to purchase replacement vehicles in the state motor pool.								
Restricted Funds				3,779,800		(3,779,800)	3,784,800		(3,784,800)		
Project Total				3,779,800		(3,779,800)	3,784,800		(3,784,800)		
6	CONT	Affordable Housing Trust Fund									
ABR750A0011			Provide additional general fund support for the affordable housing trust fund.								
General Fund					1,400,000	1,400,000		1,400,000	1,400,000		
Project Total					1,400,000	1,400,000		1,400,000	1,400,000		
7	GB	General Administration- Fleet Management Operations - Personnel									
ABRC35K0002			Provide funds to support personnel expenditures related to the Fleet Management Operations program, including three (3) personnel positions.								
Restricted Funds				124,300	124,300		132,400	132,400			
Project Total				124,300	124,300		132,400	132,400			
8	NEW	Enhanced Revenue Collection Effort									
ABR750A0012			Provide additional General Fund support for 3 additional staff in Legal Services and additional operating funds.								
General Fund					665,400	665,400		697,700	697,700		
Project Total					665,400	665,400		697,700	697,700		
TOTAL ADDITIONAL				4,248,300	2,533,900	(1,714,400)	4,337,700	2,430,600	(1,907,100)		

HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Operating Budget

General Administration

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
TRANSFERS TO THE GENERAL FUND									
General Administration									
Agency Revenue Fund	58,800	58,800			3,779,800	3,779,800		3,784,800	3,784,800
TOTAL	58,800	58,800			3,779,800	3,779,800		3,784,800	3,784,800

**Fiscal Biennium 2006-2008
Budget Modification Report**

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General Administration

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the General Administration, Restricted Funds of \$58,800 in fiscal year 2005-2006.

Included in the State/Executive Branch Budget Bill is a reorganization, based on Executive Order 2005-1254, effective October 16, 2005, that moved the Division of Fleet Management from the Transportation Cabinet to the Finance and Administration Cabinet, Office of General Administration.

The State/Executive Branch Budget Bill, Part I, Operating Budget provides Restricted Funds in the amount of \$127,200 in fiscal year 2006-2007 and \$133,500 in fiscal year 2007-2008 to fill three (3) positions in the Office; Restricted Funds in the amount of \$124,300 in fiscal year 2006-2007 and \$132,400 in fiscal year 2007-2008 to fill three (3) vacancies in the Division of Fleet Management; Restricted Funds in the amount of \$200,000 in fiscal year 2006-2007 and \$50,000 in fiscal year 2007-2008 for a document imaging system; and Restricted Funds in the amount of \$3,779,800 in fiscal year 2006-2007 and \$3,784,800 in fiscal year 2007-2008 for the replacement of vehicles in the state motor pool. General Fund appropriation of \$220,000 in fiscal year 2007-2008 was provided for Gubernatorial Transition and an additional Road Fund appropriation of \$17,000 in each fiscal year for the Division of Postal Services

Included in the Baseline Budget of the State/Executive Branch Budget Bill, Part I, Operating Budget is General Fund appropriation of \$2.0 million each fiscal year for the Affordable Housing Trust Fund.

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House does not provide Restricted Funds totaling \$220,000 in fiscal year 2007-2008 for the Gubernatorial Transition.

**Fiscal Biennium 2006-2008
Budget Modification Report**

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General Administration

The House does not provide Restricted Funds totaling \$3,779,800 in fiscal year 2006-2007 and \$3,784,800 in fiscal year 2007-2008 for Fleet Management replacement vehicles.

The House provides additional General Fund support of \$1,400,000 in each fiscal year for the Affordable Housing Trust Fund.

The House provides additional General Fund support of \$665,400 in fiscal year 2006-2007 and \$697,700 in fiscal year 2007-2008 for the Enhanced Revenue Collection Effort.

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provisions:

"Gubernatorial Transition: Notwithstanding KRS 11.260, no funding is provided for the Gubernatorial Transition."

"Affordable Housing Trust Fund: Included in the above General Fund appropriation is \$3,400,000 in fiscal year 2006-2007 and \$3,400,000 in fiscal year 2007-2008 for the Affordable Housing Trust Fund. The Kentucky Housing Corporation shall provide from the Kentucky Housing Corporation Housing Assistance Fund to the Affordable Housing Trust Fund \$500,000 in fiscal year 2006-2007 and \$500,000 in fiscal year 2007-2008."

The House amends the State/Executive Branch Budget Bill, Part V, Funds Transfer, to include \$3,779,800 in fiscal year 2006-2007 and \$3,784,800 in fiscal year 2007-2008 from the Fleet Management Agency Restricted Funds.

The House amends the State/Executive Branch Budget Bill, Part II, Capital Budget, and deletes the Louisville Arena project in this appropriation unit.

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HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Capital Budget

General Administration

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Bond Funds				75,000,000		(75,000,000)			
TOTAL CAPITAL				75,000,000		(75,000,000)			
II. CAPITAL PROJECTS									
1	Louisville Arena								
PRJ750A1511									
Bond Funds				75,000,000		(75,000,000)			
Project Total				75,000,000		(75,000,000)			
TOTAL CAPITAL				75,000,000		(75,000,000)			

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HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Operating Budget

Controller

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	10,954,300	10,954,300		10,954,300	10,954,300		10,954,300	10,954,300	
Restricted Funds	2,186,300	2,186,300		2,257,000	2,052,700	(204,300)	2,268,700	2,052,900	(215,800)
Federal Funds	500,000	500,000		1,000,000	1,000,000		1,000,000	1,000,000	
Regular Total Funds	13,640,600	13,640,600		14,211,300	14,007,000	(204,300)	14,223,000	14,007,200	(215,800)
Use of Continuing									
TOTAL FUNDS	13,640,600	13,640,600		14,211,300	14,007,000	(204,300)	14,223,000	14,007,200	(215,800)
II. EXPENDITURE CATEGORY									
Personnel Costs	7,140,500	7,140,500		7,214,200	7,009,900	(204,300)	7,225,900	7,010,100	(215,800)
Operating Expenses	5,998,600	5,998,600		5,995,600	5,995,600		5,995,600	5,995,600	
Grants, Loans, Benefits	500,000	500,000		1,000,000	1,000,000		1,000,000	1,000,000	
Debt Service	1,500	1,500		1,500	1,500		1,500	1,500	
TOTAL EXPENDITURES	13,640,600	13,640,600		14,211,300	14,007,000	(204,300)	14,223,000	14,007,200	(215,800)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	10,954,300	10,954,300		10,954,300	10,954,300		10,954,300	10,954,300	
Restricted Funds	2,186,300	2,186,300		2,052,700	2,052,700		2,052,900	2,052,900	
Federal Funds	500,000	500,000		500,000	500,000		500,000	500,000	
Regular Total Funds	13,640,600	13,640,600		13,507,000	13,507,000		13,507,200	13,507,200	
Use of Continuing									
TOTAL BASE LEVEL	13,640,600	13,640,600		13,507,000	13,507,000		13,507,200	13,507,200	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds				204,300		(204,300)	215,800		(215,800)
Federal Funds				500,000	500,000		500,000	500,000	
TOTAL ADDITIONAL				704,300	500,000	(204,300)	715,800	500,000	(215,800)
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN Controller									
ABR7580001 Provide funds to fill 3 vacant positions.									
Restricted Funds				204,300		(204,300)	215,800		(215,800)
Project Total				204,300		(204,300)	215,800		(215,800)

G - Finance and Administration Cabinet

Operating Budget

Controller

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
2 CONT Controller- Rural Empowerment Zone Grant								
ABR7580003 Provide Federal Funds to support the Rural Empowerment Zone Grant for the Kentucky Highlands in southeast Kentucky.								
Federal Funds			500,000	500,000		500,000	500,000	
Project Total			500,000	500,000		500,000	500,000	
TOTAL ADDITIONAL			704,300	500,000	(204,300)	715,800	500,000	(215,800)

TRANSFERS TO THE GENERAL FUND

Controller

Agency Revenue Fund	1,200,000	1,200,000	204,300	204,300		215,800	215,800
TOTAL	1,200,000	1,200,000	204,300	204,300		215,800	215,800

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Office of the Controller

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Office of Financial Management, Restricted Funds of \$1,200,000 in fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes a language provision that directs:

"Social Security Contingent Liability Fund: Any expenditures that may be required by KRS 61.470 are hereby deemed necessary government expenses and shall be paid first from the General Fund Surplus Account (KRS 48.700), if available, or from any available balance in either the Judgments budget unit appropriation or the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in this Act."

The State/Executive Branch Budget Bill, Part I, Operating Budget includes Restricted Funds of \$204,300 in fiscal year 2006-2007 and \$215,800 in fiscal year 2007-2008 to fill three (3) vacancies in the Office. It also includes Federal Funds of \$500,000 in each fiscal year for the Rural Empowerment Zone grant.

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House does not provide Restricted Funds totaling \$204,300 in fiscal year 2006-2007 and \$215,800 in fiscal year 2007-2008 to fill 3 vacant positions.

The House amends the State/Executive Branch Budget Bill, Part V, Fund Transfers, to include \$204,300 in fiscal year 2006-2007 and \$215,800 in fiscal year 2007-2008 from Agency Restricted Funds.

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HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Operating Budget

Debt Service

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund (Tobacco)	8,318,800	8,318,800		17,842,700	17,842,700		17,847,400	17,847,400	
General Fund	276,240,400	276,240,400		324,655,100	324,655,100		331,453,800	320,413,800	(11,040,000)
Road Fund	2,505,000	2,505,000							
Regular Total Funds	287,064,200	287,064,200		342,497,800	342,497,800		349,301,200	338,261,200	(11,040,000)
Use of Continuing	2,019,100	2,019,100							
TOTAL FUNDS	289,083,300	289,083,300		342,497,800	342,497,800		349,301,200	338,261,200	(11,040,000)
II. EXPENDITURE CATEGORY									
Debt Service	289,083,300	289,083,300		342,497,800	342,497,800		349,301,200	338,261,200	(11,040,000)
TOTAL EXPENDITURES	289,083,300	289,083,300		342,497,800	342,497,800		349,301,200	338,261,200	(11,040,000)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund (Tobacco)	8,318,800	8,318,800		17,842,700	17,842,700		17,847,400	17,847,400	
General Fund	276,240,400	276,240,400		324,655,100	324,655,100		316,260,800	316,260,800	
Road Fund	2,505,000	2,505,000							
Regular Total Funds	287,064,200	287,064,200		342,497,800	342,497,800		334,108,200	334,108,200	
Use of Continuing	2,019,100	2,019,100							
TOTAL BASE LEVEL	289,083,300	289,083,300		342,497,800	342,497,800		334,108,200	334,108,200	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund							15,193,000	4,153,000	(11,040,000)
TOTAL ADDITIONAL							15,193,000	4,153,000	(11,040,000)
V. ADDITIONAL BUDGET ITEMS									
1 NEW Debt Service									
ABR750B0001	Provide debt service on all new Bond Funded projects in the Finance Cabinet budget. Total Bonds of \$140,208,000.								
General Fund							15,193,000	4,153,000	(11,040,000)
Project Total							15,193,000	4,153,000	(11,040,000)
TOTAL ADDITIONAL							15,193,000	4,153,000	(11,040,000)

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Debt Service

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part X, Tobacco Settlement, includes a language provision that direct:

"Debt Service: To the extent that revenues sufficient to support the required debt service appropriations are received from the Tobacco Settlement Program, those revenues shall be made available from those accounts to the appropriate account of the General Fund. All necessary debt service amounts shall be appropriated from the General Fund and shall be fully paid regardless of whether there is a sufficient amount available to be transferred from tobacco supported funding program accounts to other accounts of the General Fund."

The State/Executive Branch Budget Bill, Part X, Tobacco Settlement, provides \$17,842,700 in fiscal year 2006-2007 and \$17,847,400 in fiscal year 2007-2008 for debt service on previously authorized Bond Funded projects.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"New Debt Service: Included in the above General Fund appropriation is \$15,193,000 in fiscal year 2007-2008 to support new bonds as set forth in Part II, Capital Projects Budget, of this Act for appropriation units within the Finance and Administration Cabinet."

"Tobacco Settlement Funds - Debt Service: To the extent that revenues sufficient to support the required debt service appropriations are received from the Tobacco Settlement Program, those revenues shall be made available from those accounts to the appropriate account of the General Fund. All necessary debt service amounts shall be appropriated from the General Fund and shall be fully paid regardless of whether there is a sufficient amount available to be transferred from tobacco-supported funding program accounts to other accounts of the General Fund."

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Debt Service

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House reduces General Fund support totaling \$11,040,000 in fiscal year 2007-2008 for new debt service.

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provision change:

"New Debt Service: Included in the above General Fund appropriation is \$4,153,000 in fiscal year 2007-2008 to support new bonds as set forth in Part II, Capital Projects Budget, of this Act for appropriation units within the Finance and Administration Cabinet."

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HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Operating Budget

Facilities and Support Services

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	7,864,800	7,864,800		7,518,200	7,518,200		7,526,800	7,526,800	
Restricted Funds	30,198,100	30,198,100		30,109,200	29,908,400	(200,800)	30,573,800	30,360,400	(213,400)
Regular Total Funds	38,062,900	38,062,900		37,627,400	37,426,600	(200,800)	38,100,600	37,887,200	(213,400)
Use of Continuing									
TOTAL FUNDS	38,062,900	38,062,900		37,627,400	37,426,600	(200,800)	38,100,600	37,887,200	(213,400)
II. EXPENDITURE CATEGORY									
Personnel Costs	19,824,900	19,824,900		20,045,800	19,845,000	(200,800)	20,532,300	20,318,900	(213,400)
Operating Expenses	16,029,000	16,029,000		15,614,700	15,614,700		16,568,900	16,568,900	
Capital Outlay	509,000	509,000		466,900	466,900		466,900	466,900	
Construction	1,700,000	1,700,000		1,500,000	1,500,000		532,500	532,500	
TOTAL EXPENDITURES	38,062,900	38,062,900		37,627,400	37,426,600	(200,800)	38,100,600	37,887,200	(213,400)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	7,864,800	7,864,800		7,518,200	7,518,200		7,526,800	7,526,800	
Restricted Funds	30,198,100	30,198,100		29,733,400	29,733,400		28,939,000	28,939,000	
Regular Total Funds	38,062,900	38,062,900		37,251,600	37,251,600		36,465,800	36,465,800	
Use of Continuing									
TOTAL BASE LEVEL	38,062,900	38,062,900		37,251,600	37,251,600		36,465,800	36,465,800	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds				375,800	175,000	(200,800)	1,634,800	1,421,400	(213,400)
TOTAL ADDITIONAL				375,800	175,000	(200,800)	1,634,800	1,421,400	(213,400)
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN Facilities									
ABR7850001 Provide funds to fill 4 vacant positions.									
Restricted Funds				200,800		(200,800)	213,400		(213,400)
Project Total				200,800		(200,800)	213,400		(213,400)
2 EXPAN Facilities- Archibus									
ABR7850002 Provide funds to purchase new modules to the ARCHIBUS facilities management system.									
Restricted Funds				175,000	175,000		175,000	175,000	
Project Total				175,000	175,000		175,000	175,000	

HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Operating Budget

Facilities and Support Services

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
3 EXPAN Facilities- Frankfort SOB-ABR								
ABR7850004 Provide funds for 5 new staff and operating for State Office Bldg.								
Restricted Funds						1,122,600	1,122,600	
Project Total						1,122,600	1,122,600	
4 EXPAN Facilities- Jones Building-ABR								
ABR7850003 Provide funds for 3 new staff and operating for Jones Bldg.								
Restricted Funds						123,800	123,800	
Project Total						123,800	123,800	
TOTAL ADDITIONAL			375,800	175,000	(200,800)	1,634,800	1,421,400	(213,400)

TRANSFERS TO THE GENERAL FUND

Facilities and Support Services

Agency Revenue Fund	232,500	232,500	200,800	200,800		583,400	583,400
TOTAL	232,500	232,500	200,800	200,800		583,400	583,400

**Fiscal Biennium 2006-2008
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Facilities and Support Services

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from Facilities Services, Restricted Funds of \$232,500 in fiscal year 2005-2006, the Capital Construction and Equipment Purchase Contingency Fund of \$2,000,000 in fiscal year 2006-2007, and the Capital Construction Investment Income Account of \$5,000,000 in fiscal year 2006-2007 and \$5,000,000 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill, Part I, Operating Budget provides Restricted Funds of \$200,800 in fiscal year 2006-2007 and \$213,400 in fiscal year 2007-2008 to fill five (5) vacant positions; \$175,000 in each fiscal year to purchase upgrades to the ARCHIBUS facility management system; \$1,122,600 in fiscal year 2007-2008 for five (5) new maintenance positions and operating expenses associated with the newly renovated state office building, and \$123,800 for three (3) new maintenance positions and operating expenses associated with the newly renovated Jones Building.

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, includes a language provision as follows:

"Statewide Repair, Maintenance, and Replacement Pool Fund: Included in the above Statewide Repair, Maintenance and Replacement Pool Fund are the following Bond Funds supported projects and related appropriations in fiscal year 2006-2007:

- (a) Facilities and Support Services Maintenance Pool, \$3,750,000;
- (b) Parks, Maintenance Pool, \$1,250,000;

Included in the Statewide Repair, Maintenance and Replacement Pool Fund are the following Bond Funds supported projects and related appropriations in fiscal year 2007-2008:

- (a) Facilities and Support Services Maintenance Pool, \$3,750,000;
- (b) Justice and Public Safety Cabinet, Corrections Management, Maintenance Pool, \$1,250,000."

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Facilities and Support Services

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House does not provide Restricted Funds totaling \$200,800 in fiscal year 2006-2007 and \$213,400 in fiscal year 2007-2008 to fill 4 vacant positions.

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provisions:

"Capital Construction Contingency Fund: If funds in the Capital Construction Contingency Fund are not sufficient, then expenditures of the fund are to be paid first from the General Fund Surplus Account (KRS 48.700), if available, or from the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in this Act."

"Emergency Repair, Maintenance, and Replacement Fund: If funds in the Emergency Repair, Maintenance, and Replacement Fund are not sufficient, then expenditures of the fund are to be paid first from the General Fund Surplus Account (KRS 48.700), if available, or from the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in this Act."

"Planning Assistance to Frankfort YMCA: The Department for Facilities and Support Services shall prepare the detailed plans and specifications for the expansion and renovation of the downtown Frankfort YMCA facility in cooperation with the Board of Directors of the Frankfort YMCA."

The House amends the State/Executive Branch Budget Bill, Part V, Fund Transfer, to include \$200,800 in fiscal year 2006-2007 and \$583,400 in fiscal year 2007-2008 from the Agency Restricted Funds, an additional \$1,200,000 in fiscal year 2006-2007 and \$330,000 in fiscal year 2007-2008 from the Capital Construction Investment Income Account, \$332,000 in fiscal year 2006-2007 from the Statewide Deferred Maintenance Fund, and \$1,000,000 in fiscal year 2006-2007 from the Capital Construction Emergency Repair and Maintenance Fund.

The House amends the State/Executive Branch Budget Bill, Part II, Capital Budget, to include additional Bond Funds of \$901,000 in fiscal year 2006-2007 for the Renovate Ky State Office Building - Phase 3 Capital Project.

**Fiscal Biennium 2006-2008
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Facilities and Support Services

The House amends the State/Executive Branch Budget Bill, Part II, Capital Budget, to include the full project funding of \$10,000,000 in fiscal year 2006-2007, for the Statewide Repair, Maintenance and Replacement project, rather than dividing the funding evenly in each fiscal year.

The House amends the State/Executive Branch Budget Bill, Part II, Capital Budget, and deletes the Improve Site Infrastructure - KY Capitol Complex project.

The House amends the State/Executive Branch Budget Bill, Part II, Capital Budget, and reducing Investment Income funding by \$400,000 in fiscal year 2006-2007 for the Governor's Mansion HVAC and Window Replacement project.

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HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Capital Budget

Facilities and Support Services

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Bond Funds				22,641,000	28,542,000	5,901,000	5,000,000		(5,000,000)
Capital Construction Surplus				903,000	903,000		904,000	904,000	
Investment Income				1,290,000	90,000	(1,200,000)	330,000		(330,000)
Other Funds									
Deferred Maintenance				332,000		(332,000)			
TOTAL CAPITAL				25,166,000	29,535,000	4,369,000	6,234,000	904,000	(5,330,000)
II. CAPITAL PROJECTS									
1	Renovate Ky State Office Building-Phase 3								
PRJ7851519									
Bond Funds				12,699,000	13,600,000	901,000			
Project Total				12,699,000	13,600,000	901,000			
2	Statewide Repair, Maintenance and Replacement								
PRJ7851524									
Bond Funds				5,000,000	10,000,000	5,000,000	5,000,000		(5,000,000)
Project Total				5,000,000	10,000,000	5,000,000	5,000,000		(5,000,000)
3	Capital Plaza Complex- Renovation & Design								
PRJ7851521									
Bond Funds				4,942,000	4,942,000				
Project Total				4,942,000	4,942,000				
4	Acquire Land/Demolish Bldgs.-Statewide								
PRJ7851517									
Capital Construction Surplus				903,000	903,000		904,000	904,000	
Project Total				903,000	903,000		904,000	904,000	
5	Improve Site Infrastructure-KY Capitol Complex,3								
PRJ7851518									
Investment Income				800,000		(800,000)	330,000		(330,000)
Deferred Maintenance				332,000		(332,000)			
Project Total				1,132,000		(1,132,000)	330,000		(330,000)

HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Capital Budget

Facilities and Support Services

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
6 Governor's Mansion HVAC and Window Replacement								
PRJ7851525								
Investment Income			490,000	90,000	(400,000)			
Project Total			490,000	90,000	(400,000)			
<hr/>								
7 Guaranteed Energy Performance Projects Pool								
PRJ7851520								
Other Funds								
Project Total								
<hr/>								
TOTAL CAPITAL			25,166,000	29,535,000	4,369,000	6,234,000	904,000	(5,330,000)

HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Operating Budget

County Costs

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	18,681,500	18,681,500		19,181,500	19,181,500		20,481,500	20,481,500	
Restricted Funds	1,925,000	1,925,000		1,950,000	1,950,000		1,950,000	1,950,000	
Regular Total Funds	20,606,500	20,606,500		21,131,500	21,131,500		22,431,500	22,431,500	
Use of Continuing									
TOTAL FUNDS	20,606,500	20,606,500		21,131,500	21,131,500		22,431,500	22,431,500	
II. EXPENDITURE CATEGORY									
Personnel Costs	1,650,000	1,650,000		1,675,000	1,675,000		1,675,000	1,675,000	
Operating Expenses	14,631,500	14,631,500		15,131,500	15,131,500		16,431,500	16,431,500	
Grants, Loans, Benefits	4,325,000	4,325,000		4,325,000	4,325,000		4,325,000	4,325,000	
TOTAL EXPENDITURES	20,606,500	20,606,500		21,131,500	21,131,500		22,431,500	22,431,500	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	18,681,500	18,681,500		18,681,500	18,681,500		18,681,500	18,681,500	
Restricted Funds	1,925,000	1,925,000		1,925,000	1,925,000		1,925,000	1,925,000	
Regular Total Funds	20,606,500	20,606,500		20,606,500	20,606,500		20,606,500	20,606,500	
Use of Continuing									
TOTAL BASE LEVEL	20,606,500	20,606,500		20,606,500	20,606,500		20,606,500	20,606,500	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				500,000	500,000		1,800,000	1,800,000	
Restricted Funds				25,000	25,000		25,000	25,000	
TOTAL ADDITIONAL				525,000	525,000		1,825,000	1,825,000	
V. ADDITIONAL BUDGET ITEMS									
1	EXPAN County Costs- Public Defender Additional County Distribution								
ABR7590001	Provide additional funds for the Public Defender program								
Restricted Funds				25,000	25,000		25,000	25,000	
Project Total				25,000	25,000		25,000	25,000	
2	EXPAN County Costs- Sheriffs Fees								
ABR7590002	Provide additional appropriation for the anticipated rising expense of the Sheriffs Fee program.								
General Fund				500,000	500,000		1,800,000	1,800,000	
Project Total				500,000	500,000		1,800,000	1,800,000	

HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Operating Budget

County Costs

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
TOTAL ADDITIONAL				525,000	525,000		1,825,000	1,825,000	

**Fiscal Biennium 2006-2008
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County Costs

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes a language provision that directs:

"County Costs: Funds required to pay county costs are appropriated and additional funds may be allotted from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705) by the Secretary of the Finance and Administration Cabinet, subject to the conditions and procedures provided in this Act."

The State/Executive Branch Budget Bill, Part I, Operating Budget includes additional Restricted Funds of \$25,000 in each fiscal year for the Public Defender program and additional General Fund appropriation of \$500,000 in fiscal year 2006-2007 and \$1,800,000 in fiscal year 2007-2008 for the Sheriff's Fees.

The State/Executive Branch Budget Bill, Part I, Operating Budget provides expenditures by program for the County Cost appropriations unit as follows:

<u>Program</u>	<u>Fiscal Year 2006-2007</u>	<u>Fiscal Year 2007-2008</u>
Public Defender Program	\$ 1,625,000	\$ 1,625,000
Witnesses	160,000	160,000
DUI Services	1,425,000	1,425,000
Sheriff's Fees	9,334,000	10,634,000
County Clerks to Make Tax Bills	320,000	320,000
Board of Assessment Appeals	60,000	60,000
Fugitive from Justice	1,200,000	1,200,000
Jury Fund	3,600,000	3,600,000
Sheriff's Expense Allowance	500,000	500,000

**Fiscal Biennium 2006-2008
Budget Modification Report**

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County Costs

Premium on Sheriff's Bonds	7,500	7,500
Access to Justice	<u>2,900,000</u>	<u>2,900,000</u>
Total	\$21,131,500	\$22,431,500

HOUSE REPORT

The House concurs with the Branch.

HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Operating Budget

Commonwealth Office of Technology

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	58,196,500	58,196,500		61,168,500	61,168,500		62,962,400	62,962,400	
Federal Funds	2,537,000	2,537,000		863,100	863,100		775,000	775,000	
Road Fund	125,000	125,000							
Regular Total Funds	60,858,500	60,858,500		62,031,600	62,031,600		63,737,400	63,737,400	
Use of Continuing									
TOTAL FUNDS	60,858,500	60,858,500		62,031,600	62,031,600		63,737,400	63,737,400	
II. EXPENDITURE CATEGORY									
Personnel Costs	31,112,600	31,112,600		32,867,700	32,867,700		33,658,300	33,658,300	
Operating Expenses	23,120,200	23,120,200		23,245,800	23,245,800		23,249,100	23,249,100	
Grants, Loans, Benefits	20,000	20,000		20,000	20,000		20,000	20,000	
Capital Outlay	3,205,700	3,205,700		1,531,800	1,531,800		1,443,700	1,443,700	
Construction	3,400,000	3,400,000		4,366,300	4,366,300		5,366,300	5,366,300	
TOTAL EXPENDITURES	60,858,500	60,858,500		62,031,600	62,031,600		63,737,400	63,737,400	
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	58,196,500	58,196,500		56,268,500	56,268,500		57,053,400	57,053,400	
Federal Funds	2,537,000	2,537,000		863,100	863,100		775,000	775,000	
Road Fund	125,000	125,000							
Regular Total Funds	60,858,500	60,858,500		57,131,600	57,131,600		57,828,400	57,828,400	
Use of Continuing									
TOTAL BASE LEVEL	60,858,500	60,858,500		57,131,600	57,131,600		57,828,400	57,828,400	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds				4,900,000	4,900,000		5,909,000	5,909,000	
TOTAL ADDITIONAL				4,900,000	4,900,000		5,909,000	5,909,000	
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN COT									
ABR0790001 Provide funding to fill 15 vacant positions.									
Restricted Funds				900,000	900,000		909,000	909,000	
Project Total				900,000	900,000		909,000	909,000	
2 EXPAN COT- Transfer Restricted funds to Capital Budget									
ABR0790004 Provide Restricted funds to support the agencies Capital Budget.									
Restricted Funds				4,000,000	4,000,000		5,000,000	5,000,000	
Project Total				4,000,000	4,000,000		5,000,000	5,000,000	

HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Operating Budget

Commonwealth Office of Technology

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
TOTAL ADDITIONAL				4,900,000	4,900,000		5,909,000	5,909,000	

TRANSFERS TO THE GENERAL FUND

Commonwealth Office of Technology

Agency Revenue Fund								1,000,000	1,000,000
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TOTAL								1,000,000	1,000,000
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Commonwealth Office of Technology

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget provides Restricted Funds in the amount of \$900,000 in fiscal year 2006-2007 and \$909,000 in fiscal year 2007-2008 to fill fifteen (15) vacancies and \$4,000,000 in fiscal year 2006-2007 and \$5,000,000 in fiscal year 2007-2008 for a transfer from the Operating Budget to support the agency's Capital Budget.

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, includes a language provision as follows:

"Transfer of Restricted Funds from Operating Budget: For the major equipment purchases displayed in this section funded from Restricted Funds, it is anticipated that these funds shall be transferred from the Operating Budget as funds are available and needed."

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, includes nine (9) projects that are reauthorization of projects from previous biennia. Total of reauthorization projects is \$15,160,000 Restricted Funds and \$300,000 Federal Funds.

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provision:

"Reporting Requirements: The Commonwealth Office of Technology shall report semiannually to the Interim Joint Committee on Appropriations and Revenue the number of sole-source contracts, amounts awarded for sole-source contracts, and the purposes of the sole-source contracts; and the number of contract employees, the amount expended for contract employees, the projects contract employees worked on, and a justification why state merit employees were not used."

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Commonwealth Office of Technology

The House amends the State/Executive Branch Budget Bill, Part V, Funds Transfer, to include \$1,000,000 in fiscal year 2007-2008, from Agency Restricted Funds.

The House amends the State/Executive Branch Budget Bill, Part II, Capital Budget, to include additional Bond Funds of \$83,000 in fiscal year 2006-2007 for the Data Center Readiness project.

G - Finance and Administration Cabinet

Capital Budget

Commonwealth Office of Technology

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds				4,200,000	4,200,001		3,800,000	3,800,000	
Federal Funds				16,166,000	16,166,000				
Bond Funds				14,317,000	14,400,000	83,000			
Investment Income									
TOTAL CAPITAL				34,683,000	34,766,001	83,001	3,800,000	3,800,000	
II. CAPITAL PROJECTS									
1	Update the Public Safety Comm. Infrastructure System - KEWS								
PRJ0791359									
Federal Funds				16,166,000	16,166,000				
Bond Funds				13,000,000	13,000,000				
Project Total				29,166,000	29,166,000				
2	Data Center Readiness								
PRJ0791349									
Bond Funds				1,317,000	1,400,000	83,000			
Project Total				1,317,000	1,400,000	83,000			
3	KY Information Highway 06-08								
PRJ0791350									
Restricted Funds				1,975,000	1,975,000		1,975,000	1,975,000	
Project Total				1,975,000	1,975,000		1,975,000	1,975,000	
4	Enterprise Applications Upgrade								
PRJ0791353									
Restricted Funds				500,000	500,000		500,000	500,000	
Project Total				500,000	500,000		500,000	500,000	
5	Enterprise Server (z/OS) Upgrade/Replacement								
PRJ0791357									
Restricted Funds				800,000	800,000		400,000	400,000	
Project Total				800,000	800,000		400,000	400,000	

G - Finance and Administration Cabinet

Capital Budget

Commonwealth Office of Technology

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
6 Statewide Digital Orthoimagery Basemap Update 06-08								
PRJ0791358								
Restricted Funds			500,000	500,000		500,000	500,000	
Project Total			500,000	500,000		500,000	500,000	
7 Enterprise Project Management Information System								
PRJ0791368								
Restricted Funds			425,000	425,000		425,000	425,000	
Project Total			425,000	425,000		425,000	425,000	
8 KIH Upgrade Expansion 00 (reauthorization)								
PRJ0792582								
Restricted Funds								
Project Total								
9 Enterprise Server Upgrade Phase I 00 (reauthorization)								
PRJ0792583								
Restricted Funds								
Project Total								
10 Statewide Microwave Network Maint 00 (reauthorization)								
PRJ0792584								
Investment Income								
Project Total								
11 Enterprise Server Upgrade Phase II 00 (reauthorization)								
PRJ0792585								
Restricted Funds								
Project Total								
12 Unified Criminal Justice Info Sys 00 (reauthorization)								
PRJ0792586								
Restricted Funds								
Project Total								
13 Disaster Recovery Phases I & II 04 (reauthorization)								
PRJ0792587								
Restricted Funds								
Project Total								

Capital Budget

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
14	Enterprise Infrastructure Security 04 (reauthorization)							
PRJ0792588								
Restricted Funds								
Project Total								
15	KY Info Highway Upgrade Exp 04 (reauthorization)							
PRJ0792589								
Restricted Funds								
Project Total								
16	Enterprise Messaging 04 (reauthorization)							
PRJ0792590								
Restricted Funds								
Project Total								
17	Statewide Digital Orthoimagery 04 (reauthorization)							
PRJ0792591								
Federal Funds								
Project Total								
18	Enterprise Unix Server Cons 04 (reauthorization)							
PRJ0792592								
Restricted Funds								
Project Total								
20	Enterprise Server Complex Upgrade 04 (reauthorization)							
PRJ0792594								
Restricted Funds								
Project Total								
21	Enterprise Storage Solution 04 (reauthorization)							
PRJ0792595								
Restricted Funds								
Project Total								
22	Disk Storage Upgrade 04 (reauthorization)							
PRJ0792596								
Restricted Funds								
Project Total								

G - Finance and Administration Cabinet**Capital Budget****Commonwealth Office of Technology**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
24 COT 100 Fair Oaks Lease								
PRJ0792580								
Restricted Funds								
Project Total								
25 COT - Printing Genesco Bldg Warehouse Lease								
PRJ0792581								
Restricted Funds								
Project Total								
TOTAL CAPITAL			34,683,000	34,766,001	83,001	3,800,000	3,800,000	

HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Operating Budget

Revenue

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund (Tobacco)	163,100	163,100		175,000	175,000		175,000	175,000	
General Fund	61,435,900	61,435,900		63,986,000	72,112,000	8,126,000	64,898,400	73,466,300	8,567,900
Restricted Funds	4,517,900	4,517,900		4,381,500	4,381,500		4,378,600	4,378,600	
Road Fund	1,418,000	1,418,000		1,418,000	1,768,000	350,000	1,418,000	1,768,000	350,000
Regular Total Funds	67,534,900	67,534,900		69,960,500	78,436,500	8,476,000	70,870,000	79,787,900	8,917,900
Use of Continuing									
TOTAL FUNDS	67,534,900	67,534,900		69,960,500	78,436,500	8,476,000	70,870,000	79,787,900	8,917,900
II. EXPENDITURE CATEGORY									
Personnel Costs	43,364,600	43,364,600		45,388,700	49,622,400	4,233,700	46,308,900	51,558,800	5,249,900
Operating Expenses	24,170,300	24,170,300		24,571,800	28,814,100	4,242,300	24,561,100	28,229,100	3,668,000
TOTAL EXPENDITURES	67,534,900	67,534,900		69,960,500	78,436,500	8,476,000	70,870,000	79,787,900	8,917,900
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund (Tobacco)	163,100	163,100		175,000	175,000		175,000	175,000	
General Fund	61,435,900	61,435,900		63,785,900	63,435,900	(350,000)	64,688,400	64,338,400	(350,000)
Restricted Funds	4,517,900	4,517,900		4,150,200	4,150,200		4,135,300	4,135,300	
Road Fund	1,418,000	1,418,000		1,418,000	1,768,000	350,000	1,418,000	1,768,000	350,000
Regular Total Funds	67,534,900	67,534,900		69,529,100	69,529,100		70,416,700	70,416,700	
Use of Continuing									
TOTAL BASE LEVEL	67,534,900	67,534,900		69,529,100	69,529,100		70,416,700	70,416,700	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				200,100	8,676,100	8,476,000	210,000	9,127,900	8,917,900
Restricted Funds				231,300	231,300		243,300	243,300	
TOTAL ADDITIONAL				431,400	8,907,400	8,476,000	453,300	9,371,200	8,917,900
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN Revenue									
ABRC30A0001 Provide funding for 11 vacant positions.									
General Fund				200,100	200,100		210,000	210,000	
Restricted Funds				231,300	231,300		243,300	243,300	
Project Total				431,400	431,400		453,300	453,300	

G - Finance and Administration Cabinet

Operating Budget

Revenue									
Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008			
Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	
2 NEW Enhanced Revenue Collection Effort									
ABRC30A0009 Provide additional General Fund for 139 additional staff and operating funds.									
General Fund				8,476,000	8,476,000		8,917,900	8,917,900	
Project Total				8,476,000	8,476,000		8,917,900	8,917,900	
TOTAL ADDITIONAL			431,400	8,907,400	8,476,000	453,300	9,371,200	8,917,900	

TRANSFERS TO THE GENERAL FUND

Revenue		
Agency Revenue Fund	1,000,000	1,000,000
(KRS 45.238(3), 132.320(3), 134.400, 160.6154(2) and 365.390(2))		
TOTAL	1,000,000	1,000,000

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Revenue

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Department of Revenue, Restricted Funds of \$1,000,000 in fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part X, Phase I Tobacco Settlement, provides \$175,000 each fiscal year for the enforcement of the cigarette tax stamps.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"Insurance Surcharge Rate: Pursuant to KRS 136.392, the insurance surcharge rate shall be calculated at a rate to provide sufficient funds in the 2006-2008 fiscal biennium for the Firefighters Foundation Program Fund and the Kentucky Law Enforcement Foundation Program Fund. The calculation of sufficient funds for the above-named programs shall include any Restricted Funds carried forward from fiscal years 2005-2006 and 2006-2007 provided by the General Assembly in this Act."

"Road Fund Compliance and Motor Vehicle Property Tax Programs: The above Road Fund appropriation in each fiscal year represents the cost of the Road Fund Compliance and Motor Vehicle Property Tax Programs within the Department of Revenue and is to be used exclusively for that purpose."

"Operations of Revenue: Notwithstanding KRS 132.672 and 365.390(2), funds may be expended in support of the operations of the Department of Revenue."

The State/Executive Branch Budget, Part I, Operating Budget provides General Fund of \$200,100 in fiscal year 2006-2007 and \$210,000 in fiscal year 2007-2008, and Restricted Funds of \$231,300 in fiscal year 2006-2007 and \$243,300 in fiscal year 2007-2008 to fill eleven (11) vacant positions.

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Revenue

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House provides General Fund support totaling \$8,476,000 in fiscal year 2006-2007 and \$8,917,900 in fiscal year 2007-2008 for the Enhanced Revenue Collection Effort.

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provision:

"Debt Collection Fee Distribution: Notwithstanding KRS 45.238(3), 45.240(3) and 45.241(7)(b), the Secretary of the Finance and Administration Cabinet may determine, on an equitable basis, that all or a portion of any debt or improper payment recovered by the Department of Revenue pursuant to the provisions of KRS 45.237, 45.238 and 45.241 may be returned to the agency certifying the debt or improper payment or to the Court of Justice for allocation as otherwise provided by law. The Department of Revenue may promulgate an administrative regulation pursuant to KRS Chapter 13A to establish criteria to administer the provisions of this section."

G - Finance and Administration Cabinet**Capital Budget****Revenue**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
General Fund									
Federal Funds				1,250,000	1,250,000				
Road Fund				1,250,000	1,250,000				
Bond Funds				23,250,000	23,250,000				
TOTAL CAPITAL				25,750,000	25,750,000				
II. CAPITAL PROJECTS									
1	Implement a Comprehensive Tax System - Phase I								
PRJC30A1337									
Bond Funds				23,250,000	23,250,000				
Project Total				23,250,000	23,250,000				
2	Motor Fuels Tax Automation								
PRJC30A1338									
Federal Funds				1,250,000	1,250,000				
Road Fund				1,250,000	1,250,000				
Project Total				2,500,000	2,500,000				
3	Franklin County- Lease 100 Fair Oaks								
PRJC30A2570									
General Fund									
Project Total									
4	Franklin County- Lease Perimeter Park West								
PRJC30A2568									
General Fund									
Project Total									
5	Franklin County- Lease 200 Fair Oaks								
PRJC30A2569									
General Fund									
Project Total									
TOTAL CAPITAL				25,750,000	25,750,000				

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HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Operating Budget

Property Valuation Administrators

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	31,769,300	31,769,300		31,769,300	32,519,300	750,000	31,769,300	33,019,300	1,250,000
Restricted Funds	3,510,000	3,510,000		4,319,400	4,319,400		4,319,400	4,319,400	
Regular Total Funds	35,279,300	35,279,300		36,088,700	36,838,700	750,000	36,088,700	37,338,700	1,250,000
Use of Continuing									
TOTAL FUNDS	35,279,300	35,279,300		36,088,700	36,838,700	750,000	36,088,700	37,338,700	1,250,000
II. EXPENDITURE CATEGORY									
Personnel Costs	34,847,300	34,847,300		35,656,700	36,406,700	750,000	35,656,700	36,906,700	1,250,000
Operating Expenses	432,000	432,000		432,000	432,000		432,000	432,000	
TOTAL EXPENDITURES	35,279,300	35,279,300		36,088,700	36,838,700	750,000	36,088,700	37,338,700	1,250,000
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	31,769,300	31,769,300		31,769,300	31,769,300		31,769,300	31,769,300	
Restricted Funds	3,510,000	3,510,000		3,510,000	3,510,000		3,510,000	3,510,000	
Regular Total Funds	35,279,300	35,279,300		35,279,300	35,279,300		35,279,300	35,279,300	
Use of Continuing									
TOTAL BASE LEVEL	35,279,300	35,279,300		35,279,300	35,279,300		35,279,300	35,279,300	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund					750,000	750,000		1,250,000	1,250,000
Restricted Funds				809,400	809,400		809,400	809,400	
TOTAL ADDITIONAL				809,400	1,559,400	750,000	809,400	2,059,400	1,250,000
V. ADDITIONAL BUDGET ITEMS									
1	EXPAN	Property Valuation Administrators							
ABRC30B0001	Provide additional funding for the PVAs.								
General Fund					750,000	750,000		1,250,000	1,250,000
Restricted Funds				809,400	809,400		809,400	809,400	
Project Total				809,400	1,559,400	750,000	809,400	2,059,400	1,250,000
TOTAL ADDITIONAL				809,400	1,559,400	750,000	809,400	2,059,400	1,250,000

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Property Valuation Administrators

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes a language provision that directs:

"Management of Expenditures: Notwithstanding KRS 132.590 and 132.597, the property valuation administrators are authorized to take necessary actions to manage expenditures within the appropriated amounts contained in this Act."

The State/Executive Branch Budget Bill, Part I, Operating Budget includes additional Restricted Fund appropriation of \$809,400 in each fiscal year for the Property Valuation Administrators.

HOUSE REPORT

The House concurs with the Branch with the following change:

The House provides additional General Fund support totaling \$750,000 in fiscal year 2006-2007 and \$1,250,000 in fiscal year 2007-2008 for additional funding for the Property Valuation Administrators.

Fiscal Biennium 2006-2008
Budget Modification Report

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KY Lottery Corporation

BRANCH BUDGET

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, includes five (5) projects for authorization by the 2006 General Assembly.

HOUSE REPORT

The House concurs with the Branch.

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G - Finance and Administration Cabinet

Capital Budget

Kentucky Lottery Corporation

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Other Funds				20,750,000	20,750,000		3,000,000	3,000,000	
TOTAL CAPITAL				20,750,000	20,750,000		3,000,000	3,000,000	
II. CAPITAL PROJECTS									
1	Potential Buyout of On-line Gaming System								
PRJ0811502									
Other Funds				12,250,000	12,250,000				
Project Total				12,250,000	12,250,000				
2	Purchase of Data Processing, Telecomm, and related equipment								
PRJ0811500									
Other Funds				3,000,000	3,000,000		3,000,000	3,000,000	
Project Total				3,000,000	3,000,000		3,000,000	3,000,000	
3	iSeries System Upgrades								
PRJ0811501									
Other Funds				1,000,000	1,000,000				
Project Total				1,000,000	1,000,000				
4	Network Storage and Associated Infrastructure								
PRJ0811498									
Other Funds				500,000	500,000				
Project Total				500,000	500,000				
5	Contingency purchase of property adjacent to new headqtrs								
PRJ0811499									
Other Funds				4,000,000	4,000,000				
Project Total				4,000,000	4,000,000				
TOTAL CAPITAL				20,750,000	20,750,000		3,000,000	3,000,000	

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HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Operating Budget

Finance and Administration

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
TRANSFERS TO THE GENERAL FUND									
Finance and Administration									
Capital Construction and Equipment Purchase Contingency Fund (KRS 45.770)				2,000,000	2,000,000				
Capital Construction Investment Income (KRS 42.500)				5,000,000	6,200,000	1,200,000	5,000,000	5,330,000	330,000
Statewide Deferred Maintenance Fund (KRS 45.782)					332,000	332,000			
Capital Construction Emergency Repair and Maintenance Fund (KRS 45.780)					1,000,000	1,000,000			
TOTAL				7,000,000	9,532,000	2,532,000	5,000,000	5,330,000	330,000

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